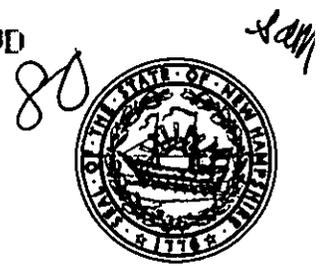




The State of New Hampshire  
**Department of Environmental Services**

MAR09'21 PM12:24 RCVD



**Robert R. Scott, Commissioner**

March 2, 2021

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire, 03301

**REQUESTED ACTION**

Authorize the Department of Environmental Services to approve a loan agreement with The Hampstead Area Water Company, Inc. (HAWC) (VC# 156646-B001), Atkinson, NH, in the amount not to exceed \$1,204,815 to finance water system improvements, subject to conditions as outlined in documents substantially in the form presented, under the provisions of RSA 485:F and N.H. Code of Administrative Rules Env-Dw 1300 et seq. effective upon Governor & Council approval. 100% Drinking Water and Groundwater Trust Fund.

Funding is available in the following account:

03-44-44-442010-3904-301-504059  
Dept. Environmental Services, DWGTF, Loans Non-Federal

FY 2021  
\$1,204,815

**EXPLANATION**

The Drinking Water and Groundwater Trust Fund (DWGTF) was created in 2016 using \$276 million of MtBE funds, as authorized by RSA 485-F. The purpose of the Trust Fund is to provide sustainable, long-term funding for the protection, preservation, and enhancement of the drinking water and groundwater resources of the state. The Drinking Water and Groundwater Advisory Commission was established to administer the Trust Fund and to provide guidance to the State on the use of the Trust Fund.

On August 13, 2019, the Advisory Commission voted to authorize a DWGTF loan to The Hampstead Area Water Company, Inc. (HAWC), as part of the Southern New Hampshire Regional Water Interconnection Project (the Project). The purpose of this loan agreement is to authorize HAWC to borrow up to \$1,204,815 to pay non-construction project-related costs in the form of a Contribution in Aid of Construction (CIAC) federal income tax. The tax is a result of acceptance and use of a DWGTF grant of \$3,283,750 (approved by Governor and Council on September 18, 2019, Item #75) to make necessary water system infrastructure improvements related to the Project. The final loan amount will be based on the total funds disbursed, and may be less than \$1,204,815.

We respectfully request your approval of this item.

  
Robert R. Scott, Commissioner

**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF ENVIRONMENTAL SERVICES**

**Drinking Water & Groundwater Trust Fund**

**Loan Agreement**

(The Hampstead Area Water Company, Inc. DWGT-59)

THIS LOAN AGREEMENT (the "Agreement"), dated \_\_\_\_\_, has two parties:

- (1) the State of New Hampshire (the "State"), whose address is c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095, and
- (2) the following person which is borrowing funds from the State:

The Hampstead Area Water Company, Inc.  
54 Sawyer Avenue  
Atkinson, NH 03811  
(the "Borrower")

**FUNDAMENTAL PREMISES FOR THIS AGREEMENT**

A. Pursuant to New Hampshire Revised Statute Annotated ("RSA") 6-D:1 the State has established the drinking water and groundwater trust fund for financing drinking water improvement projects within the State.

B. The Borrower is a for-profit company incorporated in the State of New Hampshire providing domestic water and limited fire protection to primarily residential homes in the Town of Hampstead, Atkinson, Sandown, Plaistow, East Kingston, Kingston, Nottingham, Danville, Salem, Chester, Fremont and Newton. The water utility is subject to regulation by the Public Utilities Commission ("PUC"). The Borrower intends to borrow up to \$1,204,815 to finance the income tax on the contributions in aid of construction received as grant monies for construction of drinking water infrastructure associated with the Southern NH Regional Water Interconnection Project (the "Project").

C. The State has determined that the Borrower's request for a loan financing the cost of the Project and made in accordance with this Agreement is eligible for funding from the Drinking Water and Groundwater Trust Fund in accordance with guidelines adopted pursuant to RSA 6-D:1.

## TERMS AND CONDITIONS OF THIS AGREEMENT

The State and the Borrower agree as follows:

1. Definitions. The following terms shall have the meanings indicated:

“State” means the State of New Hampshire.

“DWGWT” means the Drinking Water and Groundwater Trust Fund under RSA 6-D:1.

“Event of Default” has the meaning provided in Section 8.

“Guarantor” means either and both of Christine Lewis Morse and Christine Lewis Morse, Trustee of the Christine Lewis Morse Revocable Family Trust of 20000.

“Guaranty” means the Guaranties made by the Guarantor of even date of this Agreement.

“Hazardous Materials” has the meaning provided in Section 10.1(a).

“Legal Requirements” has the meaning provided in Section 10.1(b).

“Loan Proceeds” has the meaning provided in Section 2.

“Note” means the Borrower’s Promissory Note of even date in the principal amount of \$1,204,815 payable to the order of the State in the form attached hereto as Exhibit C.

“Plans” mean the plans, specifications, and drawings furnished and acceptable to the State.

“Premises” means the real property and real property interests of the Borrower described in Exhibit A attached hereto.

“PUC” means the Public Utilities Commission of the State.

2. The State’s Agreement to Disburse Proceeds. Provided the terms, covenants and agreements hereof shall be observed and performed, the State agrees to make disbursements to the Borrower of, and the Borrower agrees to borrow from the State, an amount not to exceed the total principal amount of the Note (such disbursements made, from time to time hereafter, being hereinafter referred to as the “Loan Proceeds”). The Loan Proceeds will be disbursed in two disbursements to pay income taxes. The first, in the amount of \$ \_\_\_\_\_ will be disbursed before April 15, 2021, and the second, in the amount of the balance of the Note, before \_\_\_\_\_, 2022.

3. Representations of the Borrower. The Borrower represents and warrants as follows:
- (a) Recitals. The Recitals set forth at the beginning of this Agreement are true and correct;
  - (b) [intentionally left blank]
  - (c) Approvals. The Borrower has obtained all necessary governmental approvals to borrow funds in accordance with the Agreement which approvals are in full force and effect;
  - (d) [intentionally left blank]
  - (e) [intentionally left blank]
  - (f) Litigation. No litigation or proceedings are pending or threatened against the Borrower or the Guarantor that could affect the validity or priority of the Note or the Guaranty or that could affect the Borrower's or the Guarantor's ability to perform its obligations under this Agreement, the Note, and the Guaranty;
  - (g) Financial Statements. The balance sheets and financial statements of the Borrower and the Guarantor, which were submitted in connection with the Borrower's request for the loan contemplated herein, were prepared in accordance with generally accepted principles of accounting applied on a basis consistent with that of preceding periods and are complete and correct and fairly present the financial condition of the Borrower and the Guarantor, respectively, as of said dates. Neither the Borrower nor the Guarantor has any contingent obligations, liabilities for taxes or unusual forward or long-term commitments except as set forth in the foregoing financial statements specifically mentioned. Since the date of such financial statements, there has been no material adverse change in the financial condition of the Borrower or the Guarantor;
  - (h) Due Organization and Authority. The Borrower is a duly organized and validly existing New Hampshire corporation in good standing under the laws of the State of New Hampshire. The Borrower has the power and authority to own its properties and to carry on business as now being conducted and is qualified to do business in every jurisdiction where such qualification is necessary and has the power to execute and deliver, and perform its obligations under this Agreement and the Note;
  - (i) No Conflict; No Required Approvals. The execution and delivery and performance by each of the Borrower and the Guarantor of their respective obligations under this Agreement, the Note and the Guaranty, as the case may be, have been duly authorized by all requisite corporate action (if applicable) and will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which the Borrower or the Guarantor is a party, or by which it is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or, except as may be provided by this Agreement, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or the Guarantor pursuant to, any such indenture, agreement or instrument. Neither the Borrower nor the Guarantor is required

to obtain any consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency in connection with or as a condition to the execution, delivery or performance of this Agreement, the Note, or the Guaranty, as the case may be, except for approval and authorization from the Public Utilities Commission, which approval and authorization has been obtained;

(j) Bankruptcy. Any borrowings made by the Borrower under this Agreement do not and will not render the Borrower insolvent. Neither the Borrower nor the Guarantor is contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidating of all or a major portion of its property, and neither the Borrower nor the Guarantor has knowledge of any person contemplating the filing of any such petition against it, including the properties and assets reflected in its financial statements referred to herein;

(k) No Material Misstatement. No statement of fact made by or on behalf of the Borrower, and no statement of fact made on behalf of the Guarantor, in this Agreement or in any certificate or schedule furnished to the State pursuant thereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading. There is no fact presently known to the Borrower that has not been disclosed to the State that materially affects adversely, nor as far as the Borrower can foresee, will materially affect adversely the property, business, operations or conditions (financial or otherwise) of the Borrower or the Guarantor;

(l) Taxes. Each of the Borrower and the Guarantor has filed all federal, state and local tax returns required to be filed, except that they have filed for lawful extensions for filing returns for the most recent tax year, and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments;

(m) Enforceability. This Agreement and the Note, upon execution and delivery, will be the valid and binding obligations of the Borrower, and the Guaranty, upon execution and delivery, will be the valid and binding obligations of the Guarantor, in each case enforceable in accordance with their respective terms, and will not violate any other agreements or instruments to which the Borrower or the Guarantor, as the case may be, is a party or by which the Borrower or the Guarantor, as the case may be, is bound;

(n) No Broker. The making of the loan contemplated hereunder or the State's acquisition of the Note or the Guaranty will not subject the State to any claim for a brokerage commission; and

(o) [intentionally left blank]

Each of the foregoing representations and warranties shall survive the making of the loan hereunder, and the Borrower shall indemnify and hold harmless the State from and against any loss, damage or liability attributable to the breach thereof, including all fees and expenses incurred in the defense or settlement of any claim arising therefrom against the State.

4. Conditions Precedent. The State's obligation to advance any of the Loan Proceeds shall be subject to the satisfaction of the following conditions precedent:

(a) Title. The Borrower shall demonstrate to the satisfaction of the State that it holds all property rights and privileges, including without limitation with respect to the Premises, necessary and appropriate for the proper construction and operation of its property;

(b) Loan Documents. The Borrower and the Guarantor shall have executed and delivered to the State the Note and the Guaranty, each of which shall be in form and substance satisfactory to the State;

(c) [intentionally left blank]

(d) [intentionally left blank]

(e) [intentionally left blank]

(f) Opinion. The State shall receive the written opinion of counsel for the Borrower, which opinion shall be satisfactory to the State, covering such matters as shall reasonably be requested by the State;

(g) [intentionally left blank]

(h) [intentionally left blank]

(i) Additional Instruments. The State shall have received such additional instruments, certificates, opinions, surveys and other documents as the State may reasonably request; and

(j) No Event of Default. No Event of Default (as defined herein) nor any event which with the giving of notice or passage of time, or both, would constitute an Event of Default shall have occurred.

5. Covenants of the Borrower. Until payment in full of all sums required to be paid by the Borrower to the State under the Note and pursuant to the provisions of this Agreement the Borrower shall:

(a) [intentionally left blank]

(b) [intentionally left blank]

(c) [intentionally left blank]

(d) [intentionally left blank]

(e) [Intentionally left blank];

(f) Insurance. Maintain or cause to be maintained liability, casualty and/or builder's risk insurance on its improvements, and worker's compensation insurance with such companies, in such amounts and covering such risks as shall be satisfactory to the State and furnish such insurance policies to the State (premiums prepaid or, after failure by the Borrower to prepay the premiums or to procure such insurance policies, the State may procure any such insurance policies that it deems satisfactory at the expense of the Borrower), insuring the interests of the Borrower and the State, as their respective interests may appear and, upon request, certificates evidencing such insurance coverage shall be promptly delivered to the State;

(g) [intennn

(h) [Intentionally left blank]

(i) Expenses. Pay, as may be demanded by the State, (i) the State's extraordinary, reasonable expenses (including attorneys' fees) that the State incurs in the approval, making and administration of the loan hereunder and (ii) the State's reasonable expenses that incurs in enforcement of this Agreement, the Note, the Guaranty and related documentation;

(j) Cooperation. Cooperate fully with the State with respect to any proceedings before any court, board or governmental agency that may in any way affect the rights of the State hereunder or any rights obtained by the State and, in connection therewith, permit the State, at its election, to participate in any such proceedings;

(k) Preserve Licenses. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all laws and regulations applicable to it and in particular, as soon as practical following execution of this Agreement by the State, provide evidence to the State that it has filed executed copies of this Agreement, the Note and the Guaranty with the PUC;

(l) Taxes. Pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges or levies imposed upon it or upon its respective income and profits or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default; provided that the Borrower shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and it shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim, so contested; and provided, further, that payment with respect to any such tax, assessment, charge, levy or claim shall be made before any of its property shall be seized or sold in satisfaction thereof;

(m) Notice of Proceedings. Give prompt written notice to the State of any proceedings instituted against it by or in any federal or state court or before any commission or other regulatory body, whether federal, state or local, which, if adversely determined, would have an adverse effect upon its business, operations, properties, assets, or condition, financial or otherwise;

(n) Financial Statements and Audit. If requested by the State, furnish to the State such information regarding operation, assets, business affairs and financial conditions, as the State may reasonably request and in particular shall furnish to the State (i) within ninety (90) days of the close

of each fiscal year during the term of the loan, annual financial statements of each of the Borrower and the Guarantor, in each case prepared in accordance with generally accepted accounting principles and certified by the Borrower and the Guarantor, respectively, as being correct in all material respects, accompanied by an audit report of the Guarantor's respective independent certified public accountants and otherwise in form and content reasonably acceptable to the State and (ii) within forty-five (45) days of the close of each fiscal quarter during the term of the loan, quarterly financial statements of each of the Borrower and the Guarantor, in each case prepared in accordance with generally accepted accounting principles, subject to year end adjustments and certified by the Borrower and the Guarantor, respectively, as fairly presenting the financial condition of such entity.

(o) [Intentionally left blank]

(p) [intentionally left blank]

(q) [intentionally left blank]

(r) Negative Pledge. Not incur, create, or grant or permit to exist any security interest in or lien on its real or personal property, other than any security interest related to one or more revolving lines of credit of Borrower or Guarantor of not more than ten million dollars in aggregate and liens for real property taxes or water or sewer charges similar assessments not yet due or contested in good faith, unless (i) prior written notice is provided by the Borrower to the State describing (x) the grant of security interest or lien, (y) the real or personal property in which a security interest or lien is intended to be granted and (z) any underlying transaction pursuant to which such grant is intended to be made and (ii) the Borrower receives from the State written consent permitting such grant of security interest in or lien on such real or personal property.

(s) [Intentionally left blank]

(t) [Intentionally left blank]

(u) [Intentionally left blank]

(v) [Intentionally left blank]

(w) [Intentionally left blank]

(x) [Intentionally left blank]

(y) [Intentionally left blank]

(z) Asset Management. The Borrower is required to develop an asset management maintenance and renewal plan for the funded asset or incorporate the funded asset into the Borrowers existing asset management program. At a minimum the plan must include a commitment to asset management, financing and implementation strategy and an inventory of the funded asset(s).

6. [intentionally left blank]

7. [intentionally left blank].

8. Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

(a) [Intentionally left blank]

(b) Assignment. The Borrower attempts to assign its rights under this Agreement or any advance made or to be made hereunder or any interest therein, or if the Premises are conveyed or encumbered in any way except as permitted by this Agreement, in each case without the written consent of the State;

(c) [intentionally left blank]

(d) [intentionally left blank]

(e) [intentionally left blank]

(f) Misrepresentation. Any representation or warranty made herein or in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or any advances made hereunder, by or in behalf of the Borrower, shall prove to be false or misleading in any material respect;

(g) Mechanics' Liens. Any mechanics', laborers', materialmen's or similar statutory liens, or any notice thereof, shall be filed against the Premises in an amount in excess of \$200,000 and shall not be discharged within forty-five (45) days of such filing;

(h) Other Defaults. The Borrower shall default in the due observance or performance of any covenant, condition or agreement to be observed or performed by the Borrower under this Agreement provided that in the case of failure to comply with section 5(i) the same remains unremedied for a period of thirty (30) days after the date of notice thereof to the Borrower by the State not otherwise specifically referred to in this Section 8;

(i) Other Loan Documents. Any event of default as defined in the Note or the Guaranty, or any event which with the giving of notice or passage of time, or both, would become an event of default under such instruments shall occur;

(j) [intentionally left blank]

(k) Voluntary Bankruptcy. The Borrower or the Guarantor shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or any of its property, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit

of creditors, (iv) be adjudicated as bankrupt or insolvent or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law;

(l) Involuntary Bankruptcy. A petition, order, judgment or decree shall be entered, without the application, approval or consent of the Borrower or the Guarantor by any court of competent jurisdiction, approving a petition seeking reorganization or approving the appointment of a receiver, trustee or liquidator of the Borrower or the Guarantor of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days;

(m) Dissolution, Etc. The death, dissolution, termination of existence, merger or consolidation (as applicable) of the Borrower or the Guarantor, a change of control of the Borrower or the Guarantor, or a sale of assets of the Borrower or the Guarantor out of the ordinary course of business without the prior written consent of the State;

(n) Other Obligations to the State. Default by the Borrower or the Guarantor in the payment or performance of any other obligations of the Borrower or the Guarantor owed to the State, whether created prior to, concurrent with, or subsequent to the obligations arising out of this Agreement, the Note or the Guaranty, as the case may be, provided such default continues after any applicable notice and expiration of any applicable grace period;

(o) Other Obligations. Default by the Borrower or the Guarantor in any other obligation for borrowed money in excess of One Hundred Thousand Dollars (\$100,000.00); and

(p) Judgment. Final judgment for the payment of money of more than Two Hundred Thousand Dollars (\$200,000.00) in excess of any insurance proceeds shall be rendered against the Borrower or the Guarantor and shall remain undischarged for a period of thirty (30) days during which execution shall not be effectively stayed.

## 9. State's Rights and Remedies Upon Default.

9.1 General State Rights. Upon the occurrence of any Event of Default, all obligations on the part of the State to make disbursements under this Agreement shall, if the State so elects, cease, and, at the option of the State (but subject to the terms and conditions set forth in the Note and the Guaranty), the Note shall become immediately due and payable, and the State shall thereupon be authorized and empowered to exercise any rights of foreclosure; but the State may make any disbursements or portions of disbursements, after the occurrence of any such Event of Default, without thereby waiving its right to demand payment of the Borrower's indebtedness evidenced by the Note and guaranteed by the Guaranty and without becoming liable to make any other or further advances as hereinabove contemplated by this Agreement.

## 9.2 [Intentionally left blank]

9.3 [Intentionally left blank]

9.4 Costs. The Borrower shall also reimburse the State for any expenses incurred in collection efforts and in enforcing its remedies, including, without limitation, reasonable attorney's fees.

9.5 Cumulative Rights. Upon the occurrence of any Event of Default, the rights, powers, privileges and other remedies available to the State under this Agreement or at law or in equity may be exercised by the State at any time and from time to time, whether or not the indebtedness evidenced by the Note and guaranteed by the Guaranty shall be due and payable, and whether or not the State shall have instituted any foreclosure proceedings or other action for the enforcement of its rights under the Note.

9.6 Right of Set-Off. Any deposits or other sums at any time credited by or due from the State to the Borrower and any securities or other property of the Borrower at any time in possession of the State may at all times be held or treated as collateral security for the payment of the loan, any and all liabilities of the Borrower or the Guarantor to the State. Upon an Event of Default the State may apply or set-off such deposits or other sums or property against such liabilities.

9.7 Power of Attorney. For the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by this Agreement, the Borrower hereby irrevocably constitutes and appoints the State its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and do and perform any acts that are referred to herein in the name and behalf of the Borrower. The power vested in said attorney-in-fact is, and shall be deemed to be, coupled with an interest and cannot be revoked.

10. Hazardous Materials Indemnification.

10.1 Definitions.

(a) The term "Hazardous Materials" shall mean and include asbestos, polychlorinated biphenyls ("PCB's"), other carcinogens, oil and other petroleum products, and any other hazardous or toxic materials, wastes and substances which are defined, determined or identified as such under RSA Chapters 146-A, 146-C, 147-A and 147-B, CERCLA, or any other applicable federal, state or local laws, rules, codes or regulations or any judicial or administrative interpretation thereof; and

(b) The term "Legal Requirements" shall mean all federal, state or local laws, rules, codes or regulations, or any judicial or administrative interpretation thereof, including, without limitation, all orders, decrees, judgments and rulings imposed through any public or private enforcement proceedings, relating to Hazardous Materials or the existence, use, discharge, release, containment, transportation or disposal thereof.

10.2 Indemnification. At all times, both before and after any conveyance or foreclosure of the Improvements, each of the Borrower and the Guarantor shall at its sole cost and expense indemnify, exonerate, protect and save the State harmless against and from any and all damages,

losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgment, suits, proceedings, costs, disbursements or expenses of any kind or nature whatsoever, including without implied limitation, attorneys' and experts' fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the State and arising from or out of:

(a) Any Hazardous Materials on, in, under or affecting all or any portion of the Improvements or any areas surrounding the same before the Borrower is divested of title to the Improvements by conveyance or foreclosure or divested of possession of the Premises following an Event of Default;

(b) The violation by either the Borrower or the Guarantor of any Legal Requirements with respect to the Premises; or

(c) The enforcement of this Section 10 of the Agreement or the assertion by either the Borrower or the Guarantor of any defense to the obligations of the Borrower or Guarantor under this Section 10, whether any of such matters arise before or after any taking of title to or possession of all or any portion of the Improvements by the State, and specifically including therein, without limitation, the following to the extent they are a result of the matters described in clauses (a) or (b) above:

(i) costs of removal of any and all Hazardous Materials from all or any portion of the Premises or any areas surrounding the same;

(ii) additional costs required to take necessary precautions to protect against the release of Hazardous Materials (x) on, in, under, or affecting, the Premises or (y) into the air, any body of water or wetland, any other public domain, or any areas surrounding the Premises;

(iii) costs incurred to avoid the imposition of, or to discharge, any lien on the Premises arising from any failure to comply with Legal Requirements;

(iv) costs incurred to comply with all Legal Requirements relating to the Premises or any collateral for the loan evidenced by the Note, including, without limitation, fines, penalties or other charges imposed by any lawful authority; and

(v) costs and expenses incurred in ascertaining the existence or extent of any asserted violation of any Legal Requirements relating to the Premises and any remedial action taken on account thereof including, without limitation, the costs, fees and expenses of engineers, geologists, chemists, other scientists, attorneys, surveyors and other professionals, and testing and analyses performed in connection therewith. The foregoing shall not apply to precautionary testing which is not in response to a specific identified potential release at the Premises.

11. Assignments. The State may assign, negotiate or pledge all or any portion of its rights under this Agreement or any of its rights with respect to the Note and the Guaranty, and, in case of such assignment, the Borrower shall accord full recognition thereto. The Borrower hereby consents to the State's delivery of any and all financial or other information concerning the Borrower or the Guarantor to any assignee or participating lender. The Borrower shall not assign

or attempt to assign, directly or indirectly, any of its rights under this Agreement or under any instrument referred to herein without the prior written consent of the State.

12. [Intentionally left blank]

13. General Provisions.

13.1 Captions. The captions in this instrument are for convenience and reference only and do not define, limit or describe the scope of the provisions hereof.

13.2 Number and Gender. Whenever the context so requires, reference herein to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural.

13.3 Binding Effect. The terms, covenants, agreements and conditions contained herein shall extend to, include, and inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower, as the case may be, and the successors and assigns of the State.

13.4 Notices. Any notice, demand, request or other communication given hereunder or in connection herewith shall be in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the party to receive the same at its address set forth above or at such other address as such party may hereafter designate by notice given in like fashion. Any such notice, demand, request or other communication shall be deemed given when mailed as aforesaid.

13.5 Governing Law. This Agreement has been made in the State of New Hampshire, and the provisions thereof shall be governed by and construed in accordance with the law of the State of New Hampshire (excluding the laws applicable to conflicts or choice of laws).

13.6 Entire Agreement. This Agreement, together with any and all schedules and exhibits hereto and the Note, contains the full, final and exclusive statement of the agreement of the parties with respect to the subject matter hereof and supersedes all prior understandings, representations or agreements, whether written or oral, with respect to such subject matter.

13.7 Amendment and Waiver. No amendment, modification, termination or waiver of any provision of this Agreement or the Note shall be effective unless it is in a writing executed by the State and, in the case of an amendment, modification or termination, by the Borrower.

13.8 Consent to Jurisdiction. The Borrower hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any right of the State under the Note or this Agreement.

13.9 Joint and Several. If the Borrower consists of more than one person or entity, such persons and entities shall have joint and several liability hereunder.

13.10 Severability. If any provision or condition of this Agreement is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Agreement.

13.11 Sovereign Immunity. Nothing contained in this Agreement, the Note or the Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

IN WITNESS WHEREOF, the State and the Borrower have each duly caused this Agreement to be executed, by their respective officers, thereunto duly authorized, as of the day and year indicated above.

**THE STATE OF NEW HAMPSHIRE**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Robert R. Scott, Commissioner  
Department of Environmental Services

**THE HAMPSTEAD AREA WATER COMPANY, INC.**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Christine Lewis Morse  
Vice President  
Duly Authorized

**JOINDER OF GUARANTOR**

The undersigned, being the person named as the Guarantor in the foregoing Loan Agreement, hereby joins therein and agrees to be legally and equitably bound by all of the terms, covenants, warranties, representations, conditions and thereof, this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Christine Lewis Morse

**LIST OF EXHIBITS**

EXHIBIT A THE PREMISES

EXHIBIT C PROMISSORY NOTE

**EXHIBIT C**  
**PROMISSORY NOTE**

\$1,204,815  
(DWGT-59)

Concord, New Hampshire  
\_\_\_\_\_, 2021

FOR VALUE RECEIVED, The Hampstead Area Water Company, Inc., a New Hampshire corporation with a principal place of business at 54 Sawyer Avenue, Atkinson, New Hampshire 03811 (the "Maker"), promises to pay to the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095, or its order (the "Payee"), the sum of One Million Two Hundred and Four Thousand Eight Hundred and Fifteen Dollars (\$1,204,815) or such lesser amount as shall be disbursed from time to time to Borrower by State pursuant to a Loan Agreement of near or even date by and between Borrower and State (the "Loan Agreement"), in lawful money of the United States, together with interest thereon at the annual rate of one percent (1%) until June 1, 2022 ("Interest Rate Change Date") and commencing on the Interest Rate Change Date at the annual rate of 1.55% (the interest rate at any given time, the "Applicable Interest Rate") until paid in full as set forth herein. Capitalized terms used but not defined herein have the meaning given to them in the Loan Agreement.

1. Payments. The interest and principal of this Note shall be paid as follows:

(a) Commencing on the first day of the sixth month after the Interest Rate Change Date, interest only shall be paid in six (6) consecutive monthly installments on the first day of each month.

(b) Commencing with the first day of the twelfth month after the Interest Rate Change Date, the principal and interest of the Note shall be paid in Three Hundred (300) consecutive equal monthly installments of principal and interest on the first day of each month with the installment amount calculated to amortize the principal balance of the Note over the 300 month period at the Applicable Interest Rate; provided, however, that the Maker shall have the option to elect prior to the first installment payment under paragraph 1(a) to have the interest accruing prior to the Interest Rate Change Date be capitalized and added to the principal amount of the Note rather than paid in the first installment of interest to be paid pursuant to paragraph 1(a); so long as the sum of the principal balance of the Note plus interest accruing prior to the Interest Rate Change Date (such sum being the "Capitalized Amortization Amount") shall not exceed \$1,204,815, and if the sum of unpaid principal plus interest accruing prior to the Interest Rate Change Date exceeds \$1,204,815, such excess amount of interest shall be due and payable with the first payment of interest pursuant to paragraph 1(a) above. If the Maker elects to have such interest capitalized, then the Capitalized Amortization Amount shall be paid in Three Hundred (300) consecutive equal monthly installments of principal on the first day of each month, commencing with the first day of the thirteenth month after the Interest Rate Change Date, with interest with the installments calculated to amortize the Capitalized Amortization Amount over such 300 month Period at the Applicable Interest Rate.

2. Prepayment. The Maker shall have the right to prepay any or all sums due under this Note without penalty. Prepayments shall be applied first to accrued interest and then to

principal. Partial prepayments of principal shall be applied against the outstanding principal balance; provided, however, that the Maker shall continue to make principal payments in the amounts specified above and on the dates specified above, with interest on the outstanding principal balance recomputed accordingly, until the Maker's obligations under this Note are satisfied in full.

3. Due Date; Late Payment. All payments of principal and interest shall be due on or before the due date specified above; provided, however, that the Maker shall not be deemed in default hereunder if payment is received by the Payee on or before 4:00 p.m. of the seventh day following the due date. The Maker agrees to pay a late charge of five percent (5%) of the amount of any payment due under this Note that is not paid within seven (7) days of its due date.

4. Applicable Interest. The Maker expressly agrees that the Applicable Interest Rate specified in this Note shall be the applicable interest rate due (i) on amounts outstanding during the term hereof and (ii) with respect to any amount outstanding on and after the maturity date hereof.

5. Default; Acceleration. The Maker shall be in default of this Note, and all principal and accrued interest thereon shall immediately become due and payable, without notice or demand, upon the occurrence of any of the following events: (a) failure to make prompt payment of any principal or interest installment due hereunder (or within such grace period as may be provided herein), (b) the failure of the Maker to observe or perform any of the other obligations to the Payee under this Note, and the same remains unremedied for a period of thirty (30) days after the date of notice thereof to the Maker by the Payee, (c) the occurrence of an Event of Default under the Loan Agreement, a default under any Security Instrument (as defined in the Loan Agreement) or a default under the Guaranty of even date of Christine Lewis Morse, Trustee of The Christine Lewis Morse Revocable Family Trust of 2000 or under the Guaranty of Christine Lewis Morse (the "Guaranties") or (d) a default in any other obligation of the Maker to the Payee, whether now existing or hereinafter incurred.

If the Maker shall file a petition under any section of the Bankruptcy Code, shall make an assignment for the benefit of creditors, shall have a receiver appointed over its affairs who shall not be discharged within sixty (60) days from the date of appointment, or shall have filed against it a petition under a section of the Bankruptcy Code, or any debtor-creditor act, which petition shall not be dismissed within sixty (60) days of the date of filing of the same, then the balance of principal and interest remaining unpaid on this Note shall become due and payable forthwith without demand or notice.

6. Costs of Collection. If this Note is not paid in full when it becomes due, or if any payment required hereunder shall not be paid when due, or within such grace period as may be expressly provided herein, the Maker agrees to pay all costs and expenses of collection, including attorneys' fees, regardless of whether legal proceedings have been formally commenced.

7. Waiver of Presentment. The Maker hereby waives presentment, demand for payment, notice of dishonor, and all other notices or demands in connection with the delivery, acceptance, performance, default, or endorsement of this Note.

8. Non-Forfeiture of Rights. It is agreed and understood that the waiver by the Payee of any particular default in the terms of this Note shall not constitute waiver of any further default and that acceptance of any payment after it is due shall not be deemed a waiver of the right to require prompt payment when due on all other sums and that acceptance of any payment after default shall not cure said default or operate as a waiver of any rights of the Payee hereunder unless otherwise agreed in writing.

9. Payments, Notices. All payments due under this Note, and any notice required to be made hereunder shall be directed to the Payee or to the Maker, as the case may be, at the addresses above specified, or such other address as the Payee and the Maker may hereafter direct, in writing.

10. Binding on Successors, Etc. The obligation of this Note shall be binding upon the heirs, successors and assigns of the Maker herein and shall inure to the benefit of the successors or assigns of the Payee herein or any holder hereof. Notwithstanding the preceding sentence, the Maker shall not assign this Note without the prior written consent of the Payee.

11. Gender. Whenever the content so requires, reference herein to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural.

12. References. All references herein to the Loan Agreement and the Guaranty shall be construed to refer to such instruments as they may be amended from time to time.

13. Governing Law. The Note has been made in the State of New Hampshire, and the provisions hereof shall be governed by and construed in accordance with the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of laws).

14. Jurisdiction. The Maker hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any rights of the Payee under this Note.

15. Sovereign Immunity. Nothing contained in this Note, the Loan Agreement, or any guaranty guarantying this Note shall be deemed to constitute a waiver of the sovereign immunity of the Payee, which immunity is hereby reserved to the Payee.

EXECUTED as of the day and year first above written.

**THE HAMPSTEAD AREA WATER COMPANY, INC.**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Christine Lewis Morse  
Vice President

**GUARANTY**

(The Hampstead Area Water Company, Inc. DWGT-59)

THIS GUARANTY is made this \_\_\_\_ day of \_\_\_\_\_, 2021 by Christine Lewis Morse of \_\_\_\_\_, \_\_\_\_\_ New Hampshire \_\_\_\_\_ (“Guarantor”), to and with the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (“State”).

WHEREAS, contemporaneously herewith, subject to certain terms and conditions, State has agreed to loan to The Hampstead Area Water Company, Inc. a New Hampshire corporation (“Borrower”), the principal sum of One Million Two Hundred and Four Thousand Eight Hundred Fifteen Dollars (\$1,204,815), which is to be repaid with interest in accordance with the terms of a certain promissory note of even date issued by Borrower to State (the “Note”) in said principal amount;

WHEREAS, Guarantor is an officer and director of the Borrower;

WHEREAS, State has advised Guarantor that it will not engage in the aforesaid transactions unless, among other things, Guarantor guarantees all obligations of Borrower under the Note, including but not limited to the punctual payment of both principal and interest due and payable, as hereinafter set forth;

WHEREAS, Guarantor is willing and has agreed to guarantee the payment of the aforesaid obligations as hereinafter provided;

WHEREAS, Guarantor will benefit from the loan evidenced by the Note;

NOW THEREFORE, in order to induce State to engage in the aforesaid loan transaction and to make said loan to Borrower and in consideration of the premises stated above and for other good and valuable consideration, the receipt of which is hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally and irrevocably, guarantees: (i) the due and punctual payment in full (and not merely the collectability) of the principal of the Note and the interest thereon, when due and payable, according to the terms of the Note and the Loan Agreement of even date between State and Borrower (the “Loan Agreement”); (ii) the due and punctual payment in full (and not merely the collectability) of all other sums and charges which may at any time be due and payable in accordance with, or under the terms of the Note; (iii) the accuracy of the representations and warranties made by Borrower in the Loan Agreement, and certain affidavits and certificates delivered by Borrower to State on or about the date hereof and (iv) the due and punctual performance and observance of all of the other terms, covenants and conditions contained in the Note, the Loan Agreement or the Security Instruments (as defined in the Loan Agreement) (collectively, the “Guaranteed Obligations”).

2. Guarantor expressly agrees that State may, in its sole and absolute discretion, without notice to or further assent of Guarantor, and without in any way releasing, affecting or impairing the obligations and liabilities of Guarantor, hereunder: (i) waive compliance with, or any default under, or grant any other indulgences with respect to, the Note or the Loan Agreement; (ii) modify, amend or change any provisions of the Note (other than to increase the principal amount due under the Note); (iii) grant extensions or renewals of or with respect to the Note, and/or effect any release, compromise or settlement in connection therewith; (iv) make advances for the purpose of performing any term or covenant contained in the Note with respect to which Borrower shall be in default; (v) assign or otherwise transfer the Note, the Loan Agreement, or this Guaranty, or any interest therein; and (vi) deal in all respects with Borrower as if this Guaranty were not in effect. The obligations of Guarantor under this Guaranty shall be unconditional, irrespective of the genuineness, validity, regularity or enforceability of the Note or any security given therefor or in connection therewith or any other circumstances that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

3. The liability of Guarantor under this Guaranty shall be primary, direct and immediate and not conditional or contingent upon pursuit by State of any remedies it may have against Borrower or any other party with respect to the Note, whether pursuant to the terms thereof or otherwise. No exercise or nonexercise by State of any right given to it under this Guaranty, the Note or the Loan Agreement, and no change, impairment or suspension of any right or remedy of State shall in any way affect any of Guarantor's obligations hereunder or give Guarantor any recourse against State. Without limiting the generality of the foregoing, State shall not be required to make any demand on Borrower and/or any other party, or otherwise pursue to exhaustion its remedies against Borrower or any other party, before, simultaneously with or after, enforcing its rights and remedies hereunder against Guarantor. Any one or more successive and/or concurrent actions may be brought hereon against Guarantor, either in the same action, if any, brought against Borrower and/or any other party, or in separate actions, as often as State, in its sole discretion, may deem advisable.

4. Guarantor hereby expressly waives: (i) presentment and demand for payment and protest of nonpayment; (ii) notice of acceptance of this Guaranty and of presentment, demand and protest; (iii) notice of any default hereunder or under the Note, this Guaranty and the Loan Agreement and of all indulgences; (iv) demand for observance or performance of, and enforcement of, any terms or provisions of this Guaranty, the Note, and the Loan Agreement; and (v) all other notices and demands otherwise required by law that Guarantor may lawfully waive.

5. Any claim against the Borrower or any guarantor to which Guarantor may be or become entitled (including, without limitation, claims by subrogation or otherwise by reason of any payment or performance by Guarantor in satisfaction and discharge, in whole or in part, of his obligations under this Guaranty) shall be and hereby is made subject and subordinate to the prior payment or performance in full of the Guaranteed Obligations. Nothing herein contained shall be construed to give Guarantor any right of subrogation in and to the rights of State under the Note or any instrument or agreement securing the Note until all amounts owing to State under the Note have been paid in full.

In addition to any other security given by Guarantor to State, State is hereby authorized and empowered, at its option, to appropriate and apply to the payment and extinguishment of the Guaranteed Obligations, at any time after such liability becomes payable, any and all moneys or other property of Guarantor and any proceeds thereof (including proceeds of sales provided for below) now or hereafter in the possession of State for any purpose, including safekeeping or pledge for this or any other liability of Guarantor, and including any balance on deposit or otherwise for the account of, to the credit of, or belonging to Guarantor.

6. Any notice, demand, request or other communication given hereunder or in connection herewith (hereinafter "Notices") shall be deemed sufficient if in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the party to receive such Notice at its address first above set forth or at such other address as such party may hereafter designate by Notice given in like fashion. Notices shall be deemed given when mailed.

7. Any payments made by Guarantor under the provisions of this Guaranty shall, if made to State, be made at its address first set forth above, unless some other address is hereafter designated by State.

8. All rights and remedies afforded to State by reason of this Guaranty, the Note and the Loan Agreement, are separate and cumulative and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies. No delay or omission by State in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies hereunder, and no modification or amendment hereof, shall be deemed made by State unless in writing and duly executed. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of State, and no single or partial exercise of any right or remedy hereunder shall preclude further exercise of any other right or remedy.

9. The obligations of Guarantor to make payment in accordance with the terms of this Guaranty shall not be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower or its estate in bankruptcy or reorganization resulting from the operation of any present or future provision of federal bankruptcy laws or other statute or from the decision of any court.

10. Guarantor hereby covenants and agrees that, if requested by State, Guarantor will, at Guarantor's expense, annually deliver to State within ninety (90) days of the end of each fiscal year audited financial statements of the Guarantor for such fiscal year in form and content satisfactory to State.

11. Guarantor agrees that if this Guaranty shall be enforced by suit or otherwise, or if State shall exercise or endeavor to exercise any of its remedies under the Note, the Guarantor will reimburse State, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees.

12. This Guaranty has been made in the State of New Hampshire, and the provisions

hereof shall be governed by and construed in accordance with the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of laws).

13. The terms, covenants, agreements and conditions contained herein shall extend to, include, and inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of Guarantor, as the case may be, and the successors and assigns of State. Notwithstanding the preceding sentence, Guarantor shall not be permitted to assign its rights and obligations hereunder without the prior written consent of State.

14. Whenever the context so requires, reference herein to the neuter gender shall include the masculine and /or feminine gender, and the singular number shall include the plural.

15. If more than one person executes this Guaranty or if the Guarantor consists of more than one person or entity, all such persons and entities shall have joint and several liability.

16. Guarantor hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any rights of the State under this Guaranty.

17. All references herein to the Loan Agreement, the Note and this Guaranty shall be deemed to include such instruments as they may be amended from time to time.

18. If any provision or condition of this Guaranty is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Guaranty.

19. Nothing contained in this Guaranty, the Loan Agreement or, the Note shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Christine Lewis Morse

**GUARANTY**

(The Hampstead Area Water Company, Inc. DWGT-59)

THIS GUARANTY is made this \_\_\_ day of \_\_\_, 2021 by Christine Lewis Morse, Trustee of the Christine Lewis Morse Revocable Family Trust of 2000, of \_\_\_\_\_, \_\_\_\_\_, New Hampshire \_\_\_\_\_ ("Guarantor"), to and with the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 ("State").

WHEREAS, contemporaneously herewith, subject to certain terms and conditions, State has agreed to loan to The Hampstead Area Water Company, Inc. a New Hampshire corporation ("Borrower"), the principal sum of One Million Two Hundred and Four Thousand Eight Hundred Fifteen Dollars (\$1,204,815), which is to be repaid with interest in accordance with the terms of a certain promissory note of even date issued by Borrower to State (the "Note") in said principal amount;

WHEREAS, Guarantor is the sole shareholder of the Borrower;

WHEREAS, State has advised Guarantor that it will not engage in the aforesaid transactions unless, among other things, Guarantor guarantees all obligations of Borrower under the Note, including but not limited to the punctual payment of both principal and interest due and payable, as hereinafter set forth;

WHEREAS, Guarantor is willing and has agreed to guarantee the payment of the aforesaid obligations as hereinafter provided;

WHEREAS, Guarantor will benefit from the loan evidenced by the Note;

NOW THEREFORE, in order to induce State to engage in the aforesaid loan transaction and to make said loan to Borrower and in consideration of the premises stated above and for other good and valuable consideration, the receipt of which is hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally and irrevocably, guarantees: (i) the due and punctual payment in full (and not merely the collectability) of the principal of the Note and the interest thereon, when due and payable, according to the terms of the Note and the Loan Agreement of even date between State and Borrower (the "Loan Agreement"); (ii) the due and punctual payment in full (and not merely the collectability) of all other sums and charges which may at any time be due and payable in accordance with, or under the terms of the Note; (iii) the accuracy of the representations and warranties made by Borrower in the Loan Agreement, and certain affidavits and certificates delivered by Borrower to State on or about the date hereof and (iv) the due and punctual performance and observance of all of the other terms, covenants and conditions contained in the Note, the Loan Agreement or the Security Instruments (as defined in the Loan Agreement) (collectively, the "Guaranteed Obligations").

2. Guarantor expressly agrees that State may, in its sole and absolute discretion, without notice to or further assent of Guarantor, and without in any way releasing, affecting or impairing the obligations and liabilities of Guarantor, hereunder: (i) waive compliance with, or any default under, or grant any other indulgences with respect to, the Note or the Loan Agreement; (ii) modify, amend or change any provisions of the Note (other than to increase the principal amount due under the Note); (iii) grant extensions or renewals of or with respect to the Note, and/or effect any release, compromise or settlement in connection therewith; (iv) make advances for the purpose of performing any term or covenant contained in the Note with respect to which Borrower shall be in default; (v) assign or otherwise transfer the Note, the Loan Agreement, or this Guaranty, or any interest therein; and (vi) deal in all respects with Borrower as if this Guaranty were not in effect. The obligations of Guarantor under this Guaranty shall be unconditional, irrespective of the genuineness, validity, regularity or enforceability of the Note or any security given therefor or in connection therewith or any other circumstances that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

3. The liability of Guarantor under this Guaranty shall be primary, direct and immediate and not conditional or contingent upon pursuit by State of any remedies it may have against Borrower or any other party with respect to the Note, whether pursuant to the terms thereof or otherwise. No exercise or nonexercise by State of any right given to it under this Guaranty, the Note or the Loan Agreement, and no change, impairment or suspension of any right or remedy of State shall in any way affect any of Guarantor's obligations hereunder or give Guarantor any recourse against State. Without limiting the generality of the foregoing, State shall not be required to make any demand on Borrower and/or any other party, or otherwise pursue to exhaustion its remedies against Borrower or any other party, before, simultaneously with or after, enforcing its rights and remedies hereunder against Guarantor. Any one or more successive and/or concurrent actions may be brought hereon against Guarantor, either in the same action, if any, brought against Borrower and/or any other party, or in separate actions, as often as State, in its sole discretion, may deem advisable.

4. Guarantor hereby expressly waives: (i) presentment and demand for payment and protest of nonpayment; (ii) notice of acceptance of this Guaranty and of presentment, demand and protest; (iii) notice of any default hereunder or under the Note, this Guaranty and the Loan Agreement and of all indulgences; (iv) demand for observance or performance of, and enforcement of, any terms or provisions of this Guaranty, the Note, and the Loan Agreement; and (v) all other notices and demands otherwise required by law that Guarantor may lawfully waive.

5. Any claim against the Borrower or any guarantor to which Guarantor may be or become entitled (including, without limitation, claims by subrogation or otherwise by reason of any payment or performance by Guarantor in satisfaction and discharge, in whole or in part, of his obligations under this Guaranty) shall be and hereby is made subject and subordinate to the prior payment or performance in full of the Guaranteed Obligations. Nothing herein contained shall be construed to give Guarantor any right of subrogation in and to the rights of State under the Note or any instrument or agreement securing the Note until all amounts owing to State under the Note have been paid in full.

In addition to any other security given by Guarantor to State, State is hereby authorized and empowered, at its option, to appropriate and apply to the payment and extinguishment of the Guaranteed Obligations, at any time after such liability becomes payable, any and all moneys or other property of Guarantor and any proceeds thereof (including proceeds of sales provided for below) now or hereafter in the possession of State for any purpose, including safekeeping or pledge for this or any other liability of Guarantor, and including any balance on deposit or otherwise for the account of, to the credit of, or belonging to Guarantor.

6. Any notice, demand, request or other communication given hereunder or in connection herewith (hereinafter "Notices") shall be deemed sufficient if in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the party to receive such Notice at its address first above set forth or at such other address as such party may hereafter designate by Notice given in like fashion. Notices shall be deemed given when mailed.

7. Any payments made by Guarantor under the provisions of this Guaranty shall, if made to State, be made at its address first set forth above, unless some other address is hereafter designated by State.

8. All rights and remedies afforded to State by reason of this Guaranty, the Note and the Loan Agreement, are separate and cumulative and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies. No delay or omission by State in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies hereunder, and no modification or amendment hereof, shall be deemed made by State unless in writing and duly executed. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of State, and no single or partial exercise of any right or remedy hereunder shall preclude further exercise of any other right or remedy.

9. The obligations of Guarantor to make payment in accordance with the terms of this Guaranty shall not be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower or its estate in bankruptcy or reorganization resulting from the operation of any present or future provision of federal bankruptcy laws or other statute or from the decision of any court.

10. Guarantor hereby covenants and agrees that, if requested by State, Guarantor will, at Guarantor's expense, annually deliver to State within ninety (90) days of the end of each fiscal year audited financial statements of the Guarantor for such fiscal year in form and content satisfactory to State.

11. Guarantor agrees that if this Guaranty shall be enforced by suit or otherwise, or if State shall exercise or endeavor to exercise any of its remedies under the Note, the Guarantor will reimburse State, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees.

12. This Guaranty has been made in the State of New Hampshire, and the provisions

hereof shall be governed by and construed in accordance with the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of laws).

13. The terms, covenants, agreements and conditions contained herein shall extend to, include, and inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of Guarantor, as the case may be, and the successors and assigns of State. Notwithstanding the preceding sentence, Guarantor shall not be permitted to assign its rights and obligations hereunder without the prior written consent of State.

14. Whenever the context so requires, reference herein to the neuter gender shall include the masculine and /or feminine gender, and the singular number shall include the plural.

15. If more than one person executes this Guaranty or if the Guarantor consists of more than one person or entity, all such persons and entities shall have joint and several liability.

16. Guarantor hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any rights of the State under this Guaranty.

17. All references herein to the Loan Agreement, the Note and this Guaranty shall be deemed to include such instruments as they may be amended from time to time.

18. If any provision or condition of this Guaranty is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Guaranty.

19. Nothing contained in this Guaranty, the Loan Agreement or, the Note shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Christine Lewis Morse, Trustee of the  
Christine Lewis Morse Revocable Family  
Trust of 2000

## SECURITY AGREEMENT

THIS AGREEMENT is made this \_\_\_\_ day of \_\_\_\_, 2021 between **The Hampstead Area Water Company, Inc.**, a New Hampshire corporation with a place of business at 54 Sawyer Avenue, Atkinson, New Hampshire 03811 (sometimes hereinafter called the "Debtor"), and the **State of New Hampshire** with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (hereinafter the "Secured Party") for themselves and their successors and assigns.

### RECITALS

A. The Debtor and the Secured Party have entered into a Loan Agreement of near or even date (the "Loan Agreement"), which Agreement sets forth certain undertakings and obligations of the Debtor to the Secured Party.

B. Pursuant to the Loan Agreement, the Secured Party has agreed to extend credit to the Debtor in an amount not to exceed One Million Two Hundred and Four Thousand Eight Hundred and Fifteen Dollars (\$1,204,815), in exchange for the Debtor's promissory note (the "Note") to the Secured Party.

C. To secure the obligations it has undertaken under the Loan Agreement and the Note and certain security instruments described in the Loan Agreement and to secure the payment of said sum to the Secured Party and to secure any other obligations of the Debtor to the Secured Party of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, due or to become due, or now existing or hereafter arising or acquired and whether by way of loan, discount, letter of credit, lease or otherwise (collectively the "Obligations"), the Debtor desires to create in the Secured Party a security interest in accordance with the terms of the Uniform Commercial Code, N.H.R.S.A. 382-A.

NOW, THEREFORE the Debtor agrees as follows:

1. Collateral. The Debtor, for valuable consideration received from the Secured Party, hereby grants to the Secured Party to secure all the foregoing Obligations a security interest in the following property (the "Collateral"):

(a) All the Debtor's goods, machinery, equipment, including without limitation, all water storage, collection, distribution and treatment equipment, furnishings and fixtures, motor vehicles, and personal property, including but not limited to such property located on the Debtor's premises in Plaistow and Atkinson, New Hampshire (the Debtor's "Business Premises") or used in connection with the Debtor's business conducted at said Business Premises, and in all inventory including, without limitation, all items held for sale or lease or furnished or to be furnished under contracts of service, or used or consumed in the Debtor's business (all hereinafter called the "Inventory"), and in contract rights with respect thereto and proceeds thereof, all whether now owned or hereafter acquired.

(b) The Debtor, for valuable consideration received from the Secured Party, hereby also conveys to the Secured Party a security interest in all the Debtor's accounts, accounts receivable, contract rights, notes, personal property leases, mailing lists and customer lists, rents receivable, choses in action, drafts, acceptances, instruments, investment property, letter of credit rights, chattel paper, general intangibles, cash and all other forms of obligations due or to become due to the Debtor, whether now existing or hereafter arising and whether joint, several, or joint and several, and proceeds of any of the foregoing, arising from or relating to the Debtor's business.

The Secured Party, by virtue of this Agreement, in addition to any other security or collateral that it may hold, shall have a continuing security interest in said Collateral and in contract rights with respect thereto and proceeds of both, to secure payment and performance of the liabilities and obligations of the Debtor to the Secured Party hereunder.

2. Records and Audits. The Debtor will keep an accurate record of the Collateral, and all additions thereto, and removals therefrom, and of any of its accounts, accounts receivable, contract rights, leases, general intangibles, rents receivable, notes and choses in action, as they from time to time exist, and the proceeds received or receivable therefrom, and will deliver a copy of such records to the Secured Party at such regular intervals as the Secured Party reasonably may require. When requested by the Secured Party the Debtor shall, at the Debtor's own expense, cause a verification of the Collateral to be made by some independent appraiser approved by the Secured Party and an audit of the accounts receivable, contract rights and proceeds of both, to be made by some independent auditor.

3. Maintenance and Insurance. The Debtor agrees to keep the Collateral in good condition, deterioration resulting from normal use excepted, and also to keep it insured against loss from such hazards and in such amounts as the Secured Party may require and in such companies as the Secured Party may approve, payable in case of loss to the Secured Party as its interest may appear, and the policies evidencing such insurance, or certificates thereof, shall, upon request, be deposited with the Secured Party.

4. No Liens. The Debtor represents and warrants that its title to the Collateral is free and clear of any liens or encumbrances except those listed in Schedule 4 and agrees to keep the Collateral free and clear of any future lien or encumbrance unless it obtains the advance consent of the Secured Party for any such lien or encumbrance.

5. Sale and Use in the Ordinary Course. Until Default the Debtor may sell or lease the Collateral in the ordinary course of business and may also use or consume any raw materials and supplies, the use and consumption of which is necessary in order to carry on the Debtor's business.

6. Lists of Accounts and Proceeds. Upon request of the Secured Party at any time after Default, the Debtor will deliver to the Secured Party lists or copies of all accounts promptly after they arise and will deliver to the Secured Party, promptly upon receipt, all rents and other

proceeds received by the Debtor including proceeds of the accounts referred to above and proceeds of any insurance policies in the exact form in which they are received. The Secured Party in its discretion may apply cash proceeds to the payment of any obligations secured hereby or may release such cash proceeds to the Debtor for use in the operation of the Debtor's business.

7. Default. The Debtor shall be deemed in "Default" of this Agreement:

- (a) if the Debtor fails to observe or perform any of the Debtor's agreements expressed herein;
- (b) upon default of the Debtor under the terms of any Obligation of the Debtor to the Secured Party secured hereby, or if notice or lapse of time, or both, are therein provided, then upon such notice or lapse of time, or both;
- (c) upon the loss, unauthorized sale, unauthorized removal of the Collateral from the locations specified in Section 1, theft, damage or destruction of the Collateral;
- (d) if the Secured Party shall deem the Collateral in danger of misuse or loss or removal from this State; or
- (e) if the Debtor changes its name or state of organization without at least thirty (30) days prior written notice to the Secured Party.

8. Remedies. Upon a Default the Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code to the same extent as if they were expressly set forth herein in addition to the remedies provided herein or in any other instrument or paper executed by the Debtor, as well as the right to sell all or part of the Collateral, pursuant to New Hampshire law. In such event the Debtor shall pay all the Secured Party's costs of repossession, collection, custody, storage, sale or other dispossession and delivery, (including reasonable attorneys' fees), all of which the Secured Party may deduct from the proceeds. If the Secured Party seeks to take possession of any or all of the Collateral by judicial process, the Debtor hereby irrevocably waives any requirement of bonds, surety or security, whether required by statute, court rule or otherwise, as an incident to such possession and waives any requirement for demand for possession before the commencement of any suit or action to recover with respect thereto.

9. Certain Remedies. The Secured Party may at any time after Default notify the Debtor's account debtors, or persons otherwise indebted to the Debtor whose obligations are covered by this Agreement, that the Collateral has been assigned to the Secured Party and that payment shall be made directly to the Secured Party. Upon request of the Secured Party at any time after Default, the Debtor will so notify such debtors and will indicate on all billings to such debtors that their accounts must be paid to the Secured Party. The Secured Party shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral or proceeds thereof in its own name or in the name of the Debtor. The Debtor shall pay to the Secured Party on demand a collection charge on all accounts collected, that shall include all reasonable

attorneys' fees and expenses, and all other reasonable expenses of like or unlike nature that may be expended by the Secured Party to obtain or enforce payment of any account either as against the account debtor, the Debtor or any guarantor or surety of the Debtor or in the prosecution or defense of any action or concerning any matter arising out of or connected with the subject matter of this Agreement, the obligations secured hereby, or the Collateral, or any of Secured Party's rights or interests therein or thereto, including, without limiting the generality of the foregoing any reasonable counsel fees or expenses incurred in any bankruptcy or insolvency proceedings.

10. Power of Attorney. The Debtor does hereby make, constitute and appoint any officer of the Secured Party as the Debtor's true and lawful attorney-in-fact, with power, in the event of a default, to endorse the name of the Debtor or any of the Debtor's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of the Secured Party in full or part payment of any amounts owing to the Secured Party, to sign and endorse the name of the Debtor or any of the Debtor's officers or agents upon any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices, in connection with accounts, and any instrument or document relating thereto or to the Debtor's rights therein; to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to the Debtor may be delivered directly to the Secured Party; granting upon the Debtor's said attorney full power to do any and all things necessary to be done in and about the premises fully and effectually as might or could be done, and hereby ratifying all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the term of this Agreement and all transactions hereunder as long as the Debtor may be indebted to the Secured Party.

11. Cooperation; Secured Party Sales; No Waiver. The Debtor covenants that it will execute any documents requested by the Secured Party to perfect its security interest in the Collateral. When requested by the Secured Party following a Default by the Debtor, the Debtor shall cooperate in the Secured Party's repossession of the Collateral and will assemble the Collateral and make it available to the Secured Party at such place as the Secured Party shall designate which shall be reasonably convenient to both parties. The Secured Party may dispose of the Collateral by public or private sale, upon the place where it is then located, and the Secured Party itself may acquire the Collateral at any such sale. The Debtor agrees that notice of ten (10) days prior to such sale shall constitute reasonable notice thereof, but that if the Collateral is perishable or threatens to decline quickly in value or is a kind customarily sold on a recognized market, the Secured Party may provide shorter notice or no notice of the sale. The Secured Party shall also have the right to remove the Collateral. No waiver of the Secured Party of any defaults hereunder shall constitute a waiver of any other default or of the same default upon a future occasion.

12. Reinstatement. If after receipt of any payment of, or the proceeds of any Collateral for, all or any part of the Obligations, the Secured Party is compelled to surrender or voluntarily surrenders such payment or proceeds to any person because such payment or

application of proceeds is or may be avoided, invalidated, recaptured, or set aside as a preference, fraudulent conveyance, impermissible setoff or for any other reason, whether or not such surrender is the result of (i) any judgment, decree or order of any court or administrative body having jurisdiction over the Secured Party, or (ii) any settlement or compromise by the Secured Party of any claim as to any of the foregoing with any person (including the primary obligor with respect to any of the Obligations), then the Obligations or part thereof affected shall be reinstated and continue and this Agreement shall be reinstated and continue in full force as to such Obligations or part thereof as if such payment or proceeds had not been received, notwithstanding any previous cancellation of any instrument evidencing any such Obligation or any previous instrument delivered to evidence the satisfaction thereof or the termination of this Agreement.

13. Governing Law. This Agreement shall be governed by and be construed in accordance with New Hampshire law.

14. Amendment. This Agreement may be amended only by a written instrument executed by the parties.

15. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

16. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of the Debtor and the Secured Party.

17. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Agreement, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon the Debtor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by the Secured Party in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

18. Invalidity. In any case where any one or more of the provisions of this Agreement are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof.

19. Sovereign Immunity. Nothing contained in this Agreement, the Loan Agreement, the Note or the other Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Secured Party, which immunity is hereby reserved to the Secured

Party.

Executed on the day and year first of written.

Debtor:

**THE HAMPSTEAD AREA WATER  
COMPANY, INC.**

By: \_\_\_\_\_  
Christine Lewis Morse  
Vice President

\_\_\_\_\_  
Witness

**SCHEDULE 4**  
**LIENS AND ENCUMBRANCES**

**The Collateral is subject to no liens or encumbrances.**

Return to: Attn: Erin Holmes  
Department of Environmental Services  
29 Hazen Drive  
Concord, NH 03301-0095

### **MORTGAGE, SECURITY AGREEMENT and FIXTURE FILING**

The Hampstead Area Water Company, Inc., a New Hampshire corporation with a principal place of business at 54 Sawyer Avenue, Atkinson, New Hampshire 03811 (the "Mortgagor" ), for consideration paid, grants to the State of New Hampshire with an address c/o Department of Environmental Service, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Mortgagee"), with MORTGAGE COVENANTS, to secure (i) the payment of One Million Two Hundred and Four Thousand Eight Hundred and Fifteen Dollars (\$1,204,815) with interest and other charges as provided in the Mortgagor's Promissory Note of even date and any and all amendments, deferrals, extensions, renewals and thereof and therefor (collectively, the "Note"), including without limitation, the future advances and readvances evidenced by the Note; (ii) the payment of all other sums with interest thereon advanced in accordance herewith to protect the security and priority of this Mortgage and Security Agreement (the "Mortgage"); and (iii) the performance of all of the Mortgagor's agreements, obligations and covenants as contained in the Note, the Mortgage, a certain Loan Agreement of even date by and between the Mortgagor and the Mortgagee (the "Loan Agreement") and certain security instruments described with more particularity in the Loan Agreement (the "Security Instruments"), (the Note, the Loan Agreement and the Security Instruments are collectively the "Loan Documents") the following:

Certain tracts or parcels of land together with all buildings and improvements thereon and appurtenances thereto located in Plaistow and Atkinson, New Hampshire, more particularly described in Exhibit A, attached hereto and made a part hereof (the "Premises"); together with all fixtures, machinery and all other tangible personal property intended for use in the building and other improvements on said premises, now or hereafter owned by the Mortgagor and now affixed or to be affixed, or now hereafter located upon said land, including all appurtenant easements;

Also conveying and granting hereby as part of the realty and as property mortgaged hereunder, all of the following articles now and hereafter on the above-described premises or used therewith: All water storage, collection, distribution and treatment equipment and facilities, plumbing, heating, lighting, refrigerating, ventilating, and air conditioning apparatus and equipment; elevators and elevator machinery, boilers, tanks, motors, sprinkler and fire extinguishing systems, alarm systems, screens, awnings, screen doors, storm and other detachable windows and doors mantels, built-in cases, counters, trees, hardy shrubs and perennial flowers, and other equipment, machinery, furniture and furnishings, fixtures, and articles of personal property now and hereafter owned by the Mortgagor and now and hereafter

affixed to, placed upon or used in connection with the operation of said premises for commercial uses, and all other purposes whether or not included in the foregoing enumeration, together with cash proceeds and non-cash proceeds of all of the foregoing, all of which are covered by this Mortgage, whether or not such property is subject to prior conditional sales agreements, chattel mortgages or other liens, excepting inventory and personal property to be consumed or sold in the normal course of business of the Mortgagor. If the lien of this mortgage on any fixtures or personal property is subject to a conditional sales agreement or chattel mortgage or security agreement covering such property, then in the event of any default hereunder all the rights, title and interest of the Mortgagor in and to any and all deposits made thereon or therefor are hereby assigned to the Mortgagee, together with the benefit of any payments now or hereafter made thereon. There are also transferred, set over and assigned to the Mortgagee, its successors and assigns hereby all conditional sales agreements, leases and use agreements of machinery, equipment and other personal property of the Mortgagor in the categories hereinabove set forth and now and hereafter affixed to, placed upon or used in connection with the operation of said premises under which the Mortgagor is the lessee of, or entitled to use, such items, and the Mortgagor agrees to execute and deliver to the Mortgagee specific separate assignments thereof to the Mortgagee of such leases and agreements when requested by the Mortgagee; and nothing herein shall obligate the Mortgagee to perform any obligations of the Mortgagor under such leases or agreements, unless it so chooses, which obligations the Mortgagor hereby covenants and agrees to well and punctually perform.

As further security for payment of the indebtedness and performance of the obligations, covenants and agreements secured hereby, the Mortgagor hereby transfers, sets over and assigns to the Mortgagee:

(a) All rents, security deposits, issues and profits, revenues, royalties, bonuses, rights and benefits under any and all leases or tenancies now existing or hereafter created of the Premises or any part thereof, with the right to receive and apply the same to said indebtedness, and the Mortgagee may demand, sue for and recover such payments, but shall not be required to do so; provided, however, that so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, issues and profits is reserved to the Mortgagor. To carry out the foregoing, the Mortgagor agrees (1) to execute and deliver to the Mortgagee such conditional assignments of leases and rents applicable to the Premises as the Mortgagee may from time to time request, while this Mortgage and the debt secured hereby are outstanding, and further (2) not to cancel, accept a surrender of, reduce the rentals under, anticipate any rentals under, or modify any such leases or tenancies, or consent to an assignment or subletting thereof, in whole or in part, without the Mortgagee's written consent except as in the ordinary course of business. Nothing herein shall obligate the Mortgagee to perform the duties of the Mortgagor as landlord or lessor under any such leases or tenancies, which duties the Mortgagor hereby covenants and agrees to well and punctually perform.

(b) All judgments, awards of damages and settlements hereinafter and as a result or in lieu of any taking of the premises or any interest therein or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the

Premises or the improvements thereon or any part thereof, including any award for change of grade of streets. The Mortgagee may apply all such sums or any part thereof so received on the indebtedness secured hereby in such manner as it elects, or, at its option, the entire amount or any part thereof so received may be released. The Mortgagor hereby irrevocably authorizes and appoints the Mortgagee its attorney-in-fact to collect and receive any such judgments, awards and settlements from the authorities or entities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefore, and to apply the same to payment on account of the debt secured hereby, whether then matured or not; and the Mortgagor will execute and deliver to the Mortgagee on demand such assignments and other instruments as the Mortgagee may require for said purposes and will reimburse the Mortgagee for its cost (including reasonable counsel fees) in the collection of such judgments and settlements.

Receipt of rents, awards, and any other monies or evidences thereof, pursuant to the provisions of the foregoing paragraphs (a) and (b) and any disposition of the same by the Mortgagee shall not constitute a waiver of the right of foreclosure by the Mortgagee in the event of default or failure of performance by the Mortgagor of any covenant or agreement contained herein or the Note, the Loan Agreement or the Security Document.

TO HAVE AND TO HOLD the aforegranted and bargained premises with all privileges and appurtenances thereof, to the said Mortgagee and its successors and assigns, to its and their use and behalf forever, And the said Mortgagor, for itself and its successors and assigns, does hereby covenant, grant and agree to and with the Mortgagee and its successors and assigns, that until the delivery hereof it is the lawful owner of the said granted premises seized and possessed thereof in its own right in fee simple, has full power and lawful authority to grant and convey the same in manner aforesaid, that the premises are free and clear from any encumbrance whatsoever, except as otherwise recited in Exhibit A, that it and its successors shall warrant and defend the same to the said Mortgagee and its successors and assigns against the lawful claims and demands of any person or persons whatsoever, except as otherwise herein recited; and that it will not cause or permit any lien to arise against the premises that is superior to the lien of this Mortgage.

The Mortgagor further covenants and agrees with the said Mortgagee, its successors and assigns, as follows:

1. Payment and Performance. The Mortgagor shall pay the Note hereby secured and interest thereon as the same shall become due and payable, and also any other indebtedness that may accrue to the Mortgagee under the terms of this Mortgage, and to perform all other agreements set forth herein and in said Note, the Loan Agreement and the Security Instruments. The Mortgagor has no right of setoff with respect to the Note, and the Mortgagor must pay all sums due without deduction for any.

2. Insurance. The Mortgagor will keep Mortgagor's buildings, improvements and personal property now existing or hereafter erected or located on the Premises and the interests and liabilities incident to the ownership thereof insured against loss by fire and such other

hazards, casualties and contingencies, and in manner, form and companies as may be required by the Mortgagee. In no event shall the amount of coverage be less than one hundred percent (100%) of the insurable value based on replacement cost, and in default thereof the Mortgagee shall have (in addition to other rights set forth herein) the right to obtain such insurance at the cost of Mortgagor, such cost to be secured hereby. Such policy shall be endorsed with the standard New Hampshire mortgagee clause with loss payable to the Mortgagee, as its interest may appear, and shall be deposited with the Mortgagee, and the Mortgagor shall deliver to the Mortgagee a new policy as replacement for any expiring policy at least fifteen (15) days before the date of such expiration; all such policies will contain a provision or endorsement that they may not be canceled without sixty (60) days written notice from the insurer to the Mortgagee; all amounts recoverable under any policy are hereby assigned to the Mortgagee. In event of a loss, the amount collected may, at the option of the Mortgagee, be used in any one or more of the following ways: (1) applied upon the indebtedness then matured or unmatured; (2) used to fulfill any of the covenants contained herein as the Mortgagee may determine; (3) used to replace or restore the property to a condition satisfactory to the Mortgagee; or (4) released to the Mortgagor; the Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney-in-fact of the Mortgagor to assign any policy in the event of the foreclosure of this mortgage or other extinguishment of the indebtedness secured hereby. The insurance carrier providing the insurance shall be a carrier qualified to write such insurance in the State of New Hampshire and shall be chosen by the Mortgagor subject to the approval of the Mortgagee. Additionally the Borrower shall maintain or cause to be maintained public liability insurance on the Premises in an amount acceptable to the Mortgagee (in no event less than \$1,000,000.00) from a carrier acceptable to Mortgagee. If the Premises are located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area it will keep the Premises insured against loss by flood for the term of the Notes, in an amount at least equal to the outstanding principal balance of the Notes or the maximum limit of coverage available for the Premises under the National Flood Insurance Act of 1968, whichever, is less.

3. Taxes and Assessments. The Mortgagor will pay, before the same become delinquent or any penalty attached thereto for nonpayment, all taxes, assessments and charges of every nature that may now or hereafter be levied or assessed against Mortgagor, upon the Premises or any part thereof, or upon the rents, issues, income or profits thereof, whether any or all of said taxes, assessments or charges be levied directly or indirectly, and will pay, before the same become delinquent or any penalty attached thereto for the nonpayment, all taxes that by reason of nonpayment create a lien prior to the lien of the Mortgage; and will thereon submit to the Mortgagee such evidence of the due and punctual payment of such taxes, etc. as the Mortgagee may require, and the Mortgagor will also pay all taxes, assessments or charges that may be levied on the Note secured hereby, or on the interest thereon, excepting the federal income tax imposed under the laws of the United States of America or any future general income tax levied by the State of New Hampshire.

4. Maintenance of the Premises. The Mortgagor will keep protected in good order, repair and condition (reasonable wear and tear and casualty insured against excepted) at all times the buildings and improvements owned by Mortgagor (including the Mortgagor's fixtures) now

standing or hereafter erected or placed upon the Premises and any and all of the Mortgagor's appurtenances, apparatus and articles of personal property, including, but not limited to, furniture, furnishings and equipment, now or hereafter in or attached to or used in connection with said buildings or improvements, promptly replacing any of the aforesaid that may become lost, destroyed or unsuitable for use; will always maintain in good order and condition all the facilities, easements, works, and ways set forth in the description and easements of the Mortgage, whether located upon the premises hereby mortgaged or elsewhere; and will not commit or suffer any strip or waste of the Premises, or any violation of any law, regulation, ordinance or contract affecting the Premises, and will not commit or suffer any demolition, removal or material alteration of any buildings or improvements (including fixtures) on the Premises without the written consent of the Mortgagee. The Mortgagor shall maintain and preserve the parking areas, passageways and drives now or hereafter existing on the Premises, and, without prior written consent of the Mortgagee, no building or other structure other than those designated on the project layout plans shall be erected thereon and no new buildings or additions to existing buildings shall be erected on the remainder of the Premises herein mortgaged without prior written consent of Mortgagee, excepting only Manufactured Housing erected in the ordinary course of business.

5. Actions of the Mortgagee. If the Mortgagor shall neglect or refuse to keep in good repair the property conveyed by this Mortgage and Security Agreement, to replace the same as herein agreed, to maintain and pay the premiums for insurance that may be required under Paragraph 2, or to pay and discharge all taxes, assessments and charges of every nature and to whomever assessed, as provided for in Paragraph 3, the Mortgagee may, at its election, cause such repairs or replacements to be made, obtain such insurance or pay said taxes, assessments and charges, and any amounts paid as a result thereof, together with interest thereon at the highest rate of interest specified in the Note secured hereby from the date of payment, shall be immediately due and payable by the Mortgagor to the Mortgagee, and until paid shall be added and become part of the principal debt secured hereby, and the same may be collected as a part of said principal debt in any suit herein or upon the Note; or the Mortgagee, by the payment of any tax, assessment or charge, may if it sees fit if allowed by law, be thereby subrogated to the rights of the state, county, village and all political or governmental subdivisions. No such actions or advances shall be deemed to relieve the Mortgagor of any default hereunder or impair any right or remedy consequent thereon, and the exercise of the rights to make advances granted in this paragraph shall be optional with the Mortgagee and not obligatory, and the Mortgagee shall not in any case be liable to the Mortgagor for a failure to exercise any such right. Mortgagee shall have no responsibility with respect to the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to be paid in satisfaction thereof.

6. Tax and Insurance Escrow. The Mortgagor shall, upon written request therefor by the Mortgagee, which request may be withdrawn and remade from time to time at the discretion of the Mortgagee, pay to the Mortgagee on a monthly basis as hereafter set forth a sum equal to the municipal and other governmental real estate taxes, assessed against the Premises and all premiums next due for fire and other casualty insurance required of Mortgagor hereunder, less

all sums already paid therefor, divided by the number of months to lapse not less than one (1) month prior to the date when said taxes and assessments will become delinquent and when such premiums will become due. Such sums as estimated by the Mortgagee shall be paid with monthly payments due under the Note, and such sums shall be held by the Mortgagee to pay said taxes, assessments and premiums before the same become delinquent. The Mortgagor agrees that should there be insufficient funds so deposited with the Mortgagee for said taxes, assessments and premiums when due, it will upon demand by the Mortgagee promptly pay to the Mortgagee amounts necessary to make such payments in full; any surplus funds may be applied toward the payment of the indebtedness secured by the Mortgage or credited toward future such taxes, assessments and premiums. If the Mortgagee shall have commenced foreclosure proceedings, the Mortgagee may apply such funds toward the payment of the mortgage indebtedness without causing thereby a waiver of any rights, statutory or otherwise, and specifically such application shall not constitute a waiver of the right of foreclosure hereunder. The Mortgagor hereby assigns to the Mortgagee all the foregoing sums so held hereunder for such purposes.

7. Security Agreement and Financing Statement. The Mortgagor further covenants and agrees that the Mortgage shall constitute a security agreement and financing statement with respect to any and all machinery, equipment, chattels, articles of personal property, and fixtures described and included in the Mortgage, and all additions, accessions, substitutions and replacements thereto and therefor, together with the proceeds thereof, and all of which are hereinafter referred to as the collateral, and the Mortgagor hereby grants and conveys to the Mortgagee, its successors and assigns, a security interest therein. The Mortgagee warrants that for purposes of the Uniform Commercial Code its state of organization and its principal place of business are as stated in the first paragraph of this Mortgage and agrees that it shall not change such state of organization or principal place of business without providing thirty (30) days advance written notice to the Mortgagee. Upon default of any term, condition or covenant of the Mortgage and acceleration of any indebtedness hereby secured, the Mortgagee may, at its discretion, require the Mortgagor to assemble the collateral and make it available to the Mortgagee at a place reasonably convenient to both parties to be designated by the Mortgagee. The Mortgagee shall give the Mortgagor notice, by registered mail, postage prepaid, of the time and place of any public sale of any of the collateral or of the time any private sale or other intended disposition thereof is to be made by sending notice to the Mortgagor at least ten (10) days before the time of the sale or other disposition, which provisions for notice the Mortgagor and the Mortgagee agree are reasonable; provided, however, that nothing herein shall preclude the Mortgagee from proceeding as to both real and personal property in accordance with Mortgagee's rights and remedies in respect of the real property. The Mortgagee shall have all of the remedies of a secured party under the Uniform Commercial Code as now in effect in the State of New Hampshire, and such further remedies as may from time to time hereafter be provided in New Hampshire for a secured party. The Mortgagor agrees that all rights of the Mortgagee as to said collateral and as to said real estate, and rights and interest appurtenant thereto, may be exercised together or separately and further agrees that in exercising its power of sale as to said collateral and as to said real estate, and rights and interests appurtenant thereto, the Mortgagee may sell the collateral or any part thereof, either separately from or together with the

sale of the real estate, rights and interests appurtenant thereto, or any part thereof, all as the Mortgagee may in its discretion elect.

8. Books and Records. The Mortgagor shall maintain full and correct books and records showing in detail the earnings and expenses of the Premises; will permit the Mortgagee and its representatives to examine said books and records and all supporting vouchers and data any time from time to time upon request by the Mortgagee. The Mortgagor shall provide financial statements of the Premises to the Mortgagee at least annually.

9. Other Proceedings. If any action or proceeding be commenced, to which action or proceeding the Mortgagee is made a party by reason of the execution of the Mortgage or the Note that it secures, or in which it becomes necessary to defend or uphold the lien of the Mortgage, all sums paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created hereby including attorneys' fees, shall be paid by the Mortgagor, together with interest thereon from date of payment at the highest rate specified in the Note secured hereby, and any such sum, and the interest thereon, shall be immediately due and payable and be secured hereby, having the benefit of the lien hereby created, as a part thereof and of its priority.

10. Releases, Etc. Without affecting the liability of the Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may at any time and from time to time, either before or after the maturity of the Note and without notice or consent:

- a. Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation.
- b. Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.
- c. Exercise or refrain from exercising or waive any right the Mortgagee may have.
- d. Accept additional security of any kind.
- e. Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

11. Zoning and Other Law. If at any time the then-existing use or occupancy of the mortgaged premises shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, that the Mortgagor shall not

cause or permit such use or occupancy to be discontinued without the prior written consent of the Mortgagee.

12. Leases. Except for leases for Manufactured Housing entered into by Mortgagor in the ordinary course of business, the Mortgagee must examine and approve (which approval will not be unreasonably withheld) in writing prior to execution, delivery and commencement thereof, all leases, tenancies and occupancies of the Premises entered into by the Mortgagor; and the Mortgagor at its cost and expense, upon request of the Mortgagee, shall cause any parties in possession of the premises under any such leases, tenancies and occupancies, not so approved, to vacate the premises immediately; and the Mortgagor acknowledges that the Mortgagee may from time to time at its option enter upon the Premises and take any other action in court or otherwise to cause such parties to vacate the premises; the costs and expenses of the Mortgagee in so doing shall be paid by the Mortgagor to the Mortgagee on demand thereof and shall be part of the indebtedness secured by the Mortgage as costs and expenses incurred to preserve and protect the security; such rights of the Mortgagee shall be in addition to all its other rights as the Mortgagee, including the right of foreclosure, for breach by the Mortgagor in the requirements of this paragraph.

13. Receipt of Rents, Etc. Receipt and disposition of rents, income of the Premises, insurance proceeds, eminent domain awards, or any other sums under the provisions of the Mortgage, the Note, the Loan Agreement, or the Security Instruments by Mortgagee shall not be a waiver or release of any rights of the Mortgagee, including but not limited to, the right of foreclosure or acceleration of the Note, whether such receipt or disposition shall be before or after exercise of any such rights.

14. Assignment. This Mortgage is not assignable or assumable by the Mortgagor and if all or any part of the Premises is sold or conveyed or if there are transfers of any interests in the Mortgagor, then the Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage.

15. No Junior Security Interests. The Mortgagor shall not, without the prior written consent of the Mortgagee, grant any other mortgage, lien or security interest in the Premises; provided, however, that Mortgagee acknowledges and consents to the existing mortgages and assignments of leases and rents of Mortgagor to New Hampshire Housing Finance Authority.

16. Default; Remedies.

(a) The Mortgagor shall be in default under this Mortgage upon the occurrence of an event of default under any of the Loan Documents, including the Loan Agreement and the expiration of the grace period as specified in the applicable Loan Document (herein called the "Events of Default"). Such Events of Default shall include without limitation, the following:

- (i) Default in the due and punctual payment of any payment of principal

of or premium, if any, or interest on the Note and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(ii) Default in payment or performance under any of the obligations under the Loan Documents, and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(iii) Default in the due performance or observance of any covenant or provision of this Mortgage and such default shall continue beyond the expiration of the applicable period of grace, if any.

(b) Upon the occurrence of an Event of Default which has not been cured within any applicable remedy period or demand under any demand instrument, and at the option of the Mortgagee, (i) the Mortgagee may declare the obligations of the Mortgagor to the Mortgagee to be immediately due and payable, (ii) the Mortgagee may immediately take possession of the Premises by forcible entry if necessary without being guilty of trespass or other claim by the Mortgagor or other party in possession, and (iii) the Mortgagee may forthwith exercise all other rights and remedies provided herein, or in any of the other Loan Documents, or which may be available to the Mortgagee by law, including without limitation, the STATUTORY POWER OF SALE;

(c) Notwithstanding any other provision set forth herein and not in limitation thereof, this Mortgage is upon the STATUTORY CONDITIONS as well as the other terms and conditions hereof, for any breach of which the Mortgagee shall have the STATUTORY POWER OF SALE; and

(d) All rights and remedies set forth herein shall be cumulative and concurrent, and may be pursued singly, successively, or together, at the Mortgagee's sole discretion, and may be exercised as often as occasion thereof shall occur.

(e) If the Mortgagor, its successors or assigns, pays the Mortgagee, all amounts under the Loan Documents, complies with and performs all terms and obligations as set forth in the Note and the Loan Documents, pays all taxes, insurance premiums, escrow deposits and assessments on the Premises, to whomsoever laid or assessed, and shall not commit nor suffer any strip or waste of the Premises, nor default in any of the Mortgagor's covenants or obligations, nor commit any breach of any covenant herein contained, then the Mortgage shall be void; otherwise it shall remain in full force and effect.

17. Possession by Mortgagee.

(a) If the Mortgagee shall take possession of the Premises as permitted hereby, then in addition to, and not in limitation of, the Mortgagee's STATUTORY POWER OF SALE, Mortgagee may:

(i) hold, manage, operate, and lease the Premises to the Mortgagor or to any other entity on such terms and for such period(s) of time as the Mortgagee may deem proper, and the provisions of any lease made by the Mortgagee pursuant hereto shall be valid and binding upon Mortgagor notwithstanding the fact that the Mortgagee's right of possession may terminate or this Mortgage may be satisfied of record prior to the expiration of the term of such lease;

(ii) make such alterations, additions, improvements, renovations, repairs, and replacements to the Premises as the Mortgagee may deem proper;

(iii) remodel such improvements so as to make the same available in whole or in part for business purposes;

(iv) collect the rents, issues, and profits arising from the Premises, past due and thereafter becoming due, and apply the same, in such order of priority as the Mortgagee may determine, to the payment of all charges and commissions incidental to the collection of rents, the management of the Premises, and the obligations and all sums or charges required to be paid by the Mortgagor hereunder;

(v) take any other action the Mortgagee deems necessary or appropriate in its sole discretion to preserve, protect, or improve the Premises;

(b) All monies advanced by the Mortgagee for the above purposes and not repaid out of the rents collected shall immediately and without demand be repaid by the Mortgagor to the Mortgagee, together with interest thereon at the same rate as provided in the Note, and shall be added to the principal indebtedness secured hereby; and

(c) The taking of possession and the collection of rents by the Mortgagee as described above shall not be construed to be an affirmation of any lease of the Premises or any part thereof, and the Mortgagee, or any purchaser at any foreclosure sale, may terminate any such lease at any time, whether or not such taking of possession and collection of rents has occurred.

18. Foreclosure Pursuant to Power of Sale.

(a) Upon default, the Mortgagee or its legal representatives or assigns may on such terms and conditions as the Mortgagee deems appropriate in its sole discretion and pursuant to the POWER OF SALE, sell the Premises by public sale to the highest bidder as provided herein and in N.H. RSA 479:25-27a, as such statutes may be amended from time to time;

(b) If the Mortgagee invokes the POWER OF SALE, the Mortgagee may, without further demand upon the Mortgagor, sell the Premises or any estate therein, in one or more

parcels, to the highest bidder for cash or other consideration acceptable to the Mortgagee at public sale to be held upon the Premises;

(c) If the Mortgagee seeks to enforce its rights and remedies hereunder, Mortgagor shall fully cooperate with Mortgagee in any foreclosure of the Premises scheduled by Mortgagee, including without limitation; (i) providing Mortgagee with any information concerning the Premises reasonably requested by Mortgagee, such as rental income information, taxes, water assessment charges and any maintenance costs associated with the Premises; (ii) arranging with the Mortgagee two (2) preview dates, each three hours in length, prior to the dates of any foreclosure sale; and (iii) granting the Mortgagee unlimited access to the Premises on the date of the foreclosure sale for one hour before and one hour after the foreclosure sale. In addition, the Mortgagor shall, without waiving its right to enjoin a foreclosure under RSA Chapter 479 or under the federal bankruptcy code, 11 U.S.C., Section 101, et seq, under no circumstances and in event in any way interfere with, any foreclosure sale of the Premises scheduled by the Mortgagee.

(d) The deed given by reason of such sale shall convey to the purchaser an indefeasible title to the Premises, discharged of all rights of redemption with respect to this mortgage by the Mortgagor and its successors or assigns, or any person claiming from or under it or them. The Mortgagee shall apply the proceeds of such sale first to all costs of notice and sale of the Premises including reasonable attorneys', accountants' and appraisers' fees, then to any and all accrued but unpaid interest due to the Mortgagee, and thereafter to the principal indebtedness evidenced by the Note and secured hereby, and to the other indebtedness secured hereby. Any excess may be paid to others having a lien on the Premises not having priority over this Mortgage and if none, then to the Mortgagor. Mortgagor shall be liable for any deficiency;

(e) In the event of foreclosure, at the option of the Mortgagee, the interest of each of the Mortgagor and the Mortgagee herein may be sold as a single unit together with the collateral as may secure the Note or be secured by the Loan Documents; and

(f) If the provisions of the Uniform Commercial Code apply, any property or security given to secure the indebtedness secured hereby may be sold with or as a part of the Premises, or any part thereof, at one or more foreclosure sales, and any notice required under such provisions shall be fully satisfied by the notice provided to be given hereby in execution of the POWER OF SALE.

19. Appointment of Receiver. The Mortgagee may, at any time following an Event of Default hereunder which has not been cured within any applicable remedy period or demand under any demand instrument (subject to any limitations in the Loan Documents), apply to any court having jurisdiction for appointment of receiver. That court shall promptly appoint a receiver of the Premises, who shall be authorized to receive and apply the income, profits, issues, rents and revenues from whatever source derived. The rents, profits, income, issues, and residues shall be applied by the receiver according to the lien of this Mortgage and the practice of the court. The appointment of the receiver shall be made by such court as an admitted equity

in a matter of absolute right to the Mortgagee, and without references to the adequacy or inadequacy of the value of the Premises or to the solvency or insolvency of the Mortgagor or any co-borrower or guarantor of the obligations secured hereby.

20. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

21. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of the Mortgagor and Mortgagee.

22. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Mortgage, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon the Mortgagor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by the Mortgagee in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

23. Invalidity. In any case where any one or more of the provisions of this Mortgage are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof.

24. Homestead; Exemptions. This is not homestead property. Mortgagor, for the consideration aforesaid, hereby waives all rights of exemption in the Premises as the same are now or hereafter provided by virtue of the Bankruptcy provisions of the United States Code, including, without limitation, 11 U.S.C. §522.

25. Sovereign Immunity. Nothing herein contained or contained in the Loan Agreement, the Note or any other Security Instrument shall be deemed to constitute a waiver of the sovereign immunity of the Mortgagee, which immunity is hereby reserved to the Mortgagee.

*(signature page follows)*

Dated this \_\_\_\_ day of \_\_\_\_\_, 2021.

THE HAMPSTEAD AREA WATER COMPANY, INC.

By: \_\_\_\_\_  
Christine Lewis Morse  
Vice President  
Duly Authorized

STATE OF NEW HAMPSHIRE  
COUNTY OF MERRIMACK

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021 by Christine Lewis Morse, Vice President of The Hampstead Area Water Company, Inc., a New Hampshire corporation, on behalf of said corporation.

\_\_\_\_\_  
Justice of the Peace/Notary Public  
My commission expires:  
[Seal]

**EXHIBIT A**

**DISCLOSURE OF FINANCE CHARGES  
DRINKING WATER AND GROUDNWATER TRUST FUND**

Pursuant to New Hampshire RSA 6-D:1

TO: THE HAMPSTEAD AREA WATER COMPANY, INC

DATE: \_\_\_\_\_, 2021

Amount of Loan: \$1,204,815 (DWGT-59, CIAC Tax)

Payable: 6 monthly installments of interest only followed by 300 monthly installments of interest and principal as further provided in the Promissory Note of even date of the Borrower (the "Note")

Finance Charges: 1% until the Interest Rate Change Date (as defined in the Note), then at the annual rate of 1.55%.

Late fee: 5% of each payment will be assessed if not paid within 7 days of its due date.

Above interest is based on the number of days elapsed over a 360 day year, as the case may be.

Recording and filing fees:	\$ _____
Title search fee:	\$ _____
Title premium	\$ _____
Environmental Site Assessment:	\$ 0
Appraisal:	\$ 0

Acknowledged.

**THE HAMPSTEAD AREA WATER COMPANY, INC.**

Borrower

By: \_\_\_\_\_  
Christine Lewis Morse  
Vice President

Guarantor

By: \_\_\_\_\_  
Christine Lewis Morse